September 11, 2022

Muammar Hermanstyne
Real Estate Director
Africatown Community Land Trust
1620 12th Avenue
Seattle, WA 98122

RE: 1601 Yesler Ave Seattle, WA 98122

Dear Mr. Hermanstyne:

Bellwether Enterprise Real Estate Capital, LLC ("Bellwether") is pleased to present this proposal to purchase or arrange for the purchase of up to $59,260,000 of fixed rate tax-exempt bonds (the "Bonds") to finance the acquisition and new construction of the above referenced property. Terms are subject to change based on Bellwether's further analysis, interest rates, third party reports and market conditions. Bellwether is a related company to Enterprise Housing Credit Investments (EHCI).

Borrower:	TBD, asset specific affiliate of Africatown Community Land Trust
Property:	A 238-unit mid-rise affordable multifamily community that will be located at 1601 Yesler Ave in Seattle, WA. The community will consist of 46 studio units, 170 one-bedroom units, and 22 two-bedroom units. The 238 tax credit units will be reserved for tenants earning between 30% and 60% AMI or less (the "Property").
Loan Type:	Direct Purchase of two series of unrated fixed rate tax-exempt bonds (the "Bonds") by Bellwether or its designated capital partner (collectively "Lender"). The Series A Bonds represent the permanent phase bonds with a term of 40 years, subject to redemption prior to maturity. The Series B Bonds represent the construction bonds and have a term of 36 months, jointly referred to as the Bonds.
Loan Amount:	Based on our preliminary analysis, the maximum Series A Bond Amount is $31,232,840. This amount is subject to change based on final underwriting and fluctuation in interest rates.

Series A Bonds:	$31,232,840
Series B Bonds:	$28,027,160
Bonds:	$59,260,000

Interest Rate:	The fixed rate of interest on the Bonds will be established approximately one week before Closing based on the greater of the actual 10-Year UST (0.95% as of 1/5/2021) or the index floor rate of 0.95%, plus a spread of 2.85%. The current indicated fixed rate would be 3.80%, based on the index floor rate of 0.95% and spread of 2.85%.

Issuer and Trustee fees <u>are not</u> included in the all-in rate.

Stabilization:	The point at which (a) the NOI for three consecutive months (normalized and adjusted for seasonality) is sufficient to provide a minimum 1.15x DSCR and (b) the average monthly occupancy for three consecutive months equals at least 90%. Stabilization shall be subject to the final terms and conditions set forth in the loan agreement and bond documents. The Stabilization Date will be no more than 36 months from Closing.
Term:	15 years following the Stabilization Date
Interest Only:	3 years, beginning on the Closing Date ("Interest Only Period")
Amortization:	Commencing after the Interest Only Period, the Bonds will be subject to mandatory redemption, in quarterly installments, sufficient to amortize the Bonds fully over 40 years.
Yield Maintenance Period:	Bonds will not be subject to Optional Redemption (Prepayment) until the 14-year anniversary of the Stabilization Date. Thereafter, the Bonds will be prepayable at par for the last year of the Term.
Loan to Value:	90%
Debt Service Coverage:	1.15
Net Operating Income:	The Permanent Bond Amount is based upon a preliminary underwritten NOI of $2,163,447 Underwritten GPR must have a minimum 10% rent advantage to market rents, to be determined during underwriting.
Subordinate Financing:	Any must pay subordinate debt must not exceed 100% for a nonprofit entity/ 90% LTV for a for-profit entity or 1.10:1.00 DSCR, and all subordinate debt must be, at a minimum, coterminous with the Term of the Bonds. Any subordinate debt is subject to Bellwether review and approval.
Origination Fee:	1.25% of the Bonds, payable to Bellwether at Closing.
Placement Fee:	At Closing, Bellwether or its designated capital partner will purchase the Bonds directly or indirectly through a placement agent or underwriter. Borrower will be responsible for payment of the placement agent fee of approximately $25,000.
Application Fee:	$5,000
Due Diligence Deposit:	$20,000 for third party reports and a $15,000 legal deposit due with loan application.
Lender Legal:	Estimated at $95,000

Construction Monitoring Fee:	Bellwether will hire a third-party inspector to review all construction draws. Construction draws will require Bellwether's and/or a designated capital partner's approval. Borrower will be responsible for payment of monitoring fees during construction.
Completion and Stabilization Costs:	Conversion Fee of $20,000 will be payable to Bellwether on the Stabilization Date. In addition, Borrower will be responsible for legal and underwriting costs incurred by Bellwether to determine completion of construction, stabilization of the property and release of any associated guarantees.
Reserves and Escrows:	Monthly payments to escrow accounts held by Bellwether or the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Bellwether's and/or designated capital partner's consent. The initial replacement reserve will be set at $350 per unit per year (subject to confirmation by underwriter and engineer).
Completion & Stabilization Guarantees:	Joint and several guarantee of lien-free completion of construction prior to the Stabilization Date or any payment to achieve Stabilization. Financial statements of guarantors and key principals are subject to review and approval by Bellwether.
Payment and Performance Bond:	Required to be in place for the General Contractor until the Certificate of Occupancy is received.
Non-Recourse:	Except as otherwise outlined above, the Bonds after Stabilization will be non-recourse except in the event of fraud, misappropriation of funds and other bad acts.
Operating Reserve:	The Borrower has budgeted the funding of a permanent operating reserve (the "Operating Reserve"). Upon stabilization, the Borrower shall deposit this amount into an escrow account to be held by the Trustee and used for debt service payments and/or operating deficits. The Operating Reserve shall be held in an interest-bearing account and interest shall be paid to the Borrower annually.
Special Conditions:	a) All terms in this proposal are subject to Bellwether pre-screen approval and final underwriting. Underwriting and pricing is subject to change as a result of any material adverse changes or disruptions in the capital markets. b) The anticipated net amount of negative arbitrage on the Bonds must be fully funded upfront. This cost may be funded from equity, bond proceeds or other sources of cash. c) The Bonds will be placed in a GIC or other comparable investment vehicle that will earn interest over the Construction Period at an estimated rate of 0.15%-0.25%. These investment earnings will be reinvested monthly.

d) Bellwether reserves the right to terminate this agreement at any time due to fraud, material misrepresentation, illegality or other willful misconduct.

This letter is not a Commitment to lend, but a proposal subject to further due diligence. Upon your review and general concurrence with the terms, Bellwether will request approval for the issuance of the Loan Application. Upon execution of the Loan Application and receipt of required deposit, Lender will engage third party reports and commence due diligence review. The terms outlined herein are subject to review and approval by Bellwether and its designated capital partner. If you have any questions please feel free to contact me at 646-829-1157.

Sincerely,

Jim Gillespie
Executive Vice President
Bellwether Enterprise Real Estate Capital, LLC